

Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Deborah Brower, (Claimant) vs. Hollencrest Securities, LLC and Robert Wolford, (Respondents)

Case Number: 01-01966

Hearing Site: New York, New York

REPRESENTATION OF PARTIES

Claimant, Deborah Brower, hereinafter referred to as "Claimant": Eva H. Posman, Esq., a sole practitioner, New York, NY.

Respondents, Hollencrest Securities, LLC ("Hollencrest") and Robert Wolford ("Wolford"), hereinafter collectively referred to as "Respondents": John Lawrence Allen, Esq., Law Offices of John Lawrence Allen, New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: April 18, 2001.

Claimant signed the Uniform Submission Agreement: April 12, 2001.

Joint Statement of Answer filed by Respondents on or about: July 5, 2001.

Hollencrest signed the Uniform Submission Agreement: July 2, 2001.

Wolford signed the Uniform Submission Agreement: July 2, 2001.

CASE SUMMARY

Claimant asserted the following causes of action: unsuitability; violation of the anti-fraud provisions of the Securities Exchange Act; misrepresentations; breach of fiduciary duty; breach of contract; control person liability; and respondeat superior. Claimant's claim involved unspecified securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted the following defenses: the Statement of Claim fails to state a basis or claim upon which relief may be granted; at all times material herein, Claimant was advised of and assumed the risk of market fluctuation; the doctrine of laches bars this claim; the Statement of Claim fails to plead fraud with the requisite particularity; all claims asserted against Respondent must be barred because Claimant ratified all transactions in the account by accepting the confirmations, statements, and correspondence without protest; to the extent that any losses or diminution in value of Claimant's securities may have occurred, such losses were the result of unforeseen market fluctuations and were within the risks assumed; Claimant

has failed to compute properly the alleged damages and, accordingly seeks a windfall; all relevant acts, omissions, investment decisions, and activities were taken by Claimant knowingly and intentionally with full knowledge of the risks and opportunity costs of such investments; Claimant, by conscious and deliberate decision, solely in order to maximize the return on her investment, assumed the risk of any and all losses alleged in her Statement of Claim; Respondents executed Claimant's instructions, as alleged in the Statement of Claim, to the best of their ability, and performed their obligations as a reasonable and prudent securities representative should, and further acted in accordance with the procedures and standards generally accepted and followed in the securities business; at all material times, and in all matters relevant to the allegations contained in the Statement of Claim, Respondents acted in good faith; and all causes of action alleged in the Statement of Claim are barred by the Statute of Limitations.

RELIEF REQUESTED

Claimant requested compensatory damages in the amount of \$220,000.00, together with interest thereon, punitive damages in the amount of \$250,000.00, reasonable attorneys' fees, and the costs of these proceedings.

Respondents requested an Award:

- a. Denying all claims in the Statement of Claim;
- b. Assessing the costs and expenses of this proceeding against Claimant; and
- c. Awarding them such other and further relief as the Panel may deem just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

During the hearings in this matter, Respondents made a Motion to Dismiss. The Panel denied said Motion.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant the sum of \$125,000.00 as compensatory damages.
2. Claimant's request for punitive damages is hereby denied.
3. All other requests for relief are hereby denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, Hollencrest Securities, LLC is a party.

Member surcharge = \$ 1,500.00

Pre-hearing process fee = \$ 600.00

Hearing process fee = \$ 2,500.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00

Pre-hearing conference: July 30, 2002 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$ 1,125.00

Pre-hearing conference: March 7, 2002 1 session

Sixteen (16) Hearing sessions x \$1,125.00 = \$18,000.00

Hearing Dates:	September 10, 2002	2 sessions
	September 12, 2002	2 sessions
	September 13, 2002	2 sessions
	September 30, 2002	2 sessions
	November 7, 2002	2 sessions
	November 8, 2002	2 sessions
	January 9, 2003	2 sessions
	January 10, 2003	2 sessions

Total Forum Fees = \$19,575.00

1. The Panel has assessed \$9,787.50 of the forum fees against Claimant.
2. The Panel has assessed \$9,787.50 of the forum fees jointly and severally against Respondents.

Administrative Costs

Administrative costs are expenses incurred due to a request by a party for special services including, but not limited to, additional copies of arbitrator awards beyond those provided without charge, copies of audio transcripts, retrieval of documents from archives, interpreters, and security.

1. Claimant, requested tapes, \$195.00.
2. Respondents, requested tapes, \$90.00.

Fee Summary

1. Claimant is solely liable for:

Initial Filing Fee	= \$ 300.00
Forum Fees	= \$ 9,787.50
<u>Administrative Costs</u>	= \$ 195.00
<u>Total Fees</u>	= \$10,282.50
<u>Less payments</u>	= \$ 1,470.00
Balance Due NASD Dispute Resolution	= \$ 8,812.50

2. Hollencrest is solely liable for:

<u>Member Fees</u>	= \$ 4,600.00
<u>Total Fees</u>	= \$ 4,600.00
<u>Less payments</u>	= \$ 4,600.00
Balance Due NASD Dispute Resolution	= \$ 0.00

3. Respondents are jointly and severally liable for:

Forum Fees	= \$ 9,787.50
<u>Administrative Costs</u>	<u>= \$ 90.00</u>
Total Fees	= \$ 9,877.50
<u>Less payments</u>	<u>= \$ 1,380.00</u>
Balance Due NASD Dispute Resolution	= \$ 8,497.50

All balances are payable to NASD Dispute Resolution, and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Alan R. Sloate, Esq.	-	Public Arbitrator, Presiding Chair
Terrence H. Fraser, Esq.	-	Public Arbitrator
John B. Morgan, Esq.	-	Non-Public Arbitrator

Concurring Arbitrators' Signatures

I, the undersigned arbitrator, do hereby affirm, pursuant to Article 7507 of the Civil Practice Law and Rules, that I am the individual described herein and who executed this instrument which is my award.



Alan R. Sloate, Esq.
Public Arbitrator, Presiding Chair

2/3/03

Signature Date

Terrence H. Fraser, Esq.
Public Arbitrator

Signature Date

John B. Morgan, Esq.
Non-Public Arbitrator

Signature Date

February 7, 2003
Date of Service (For NASD Dispute Resolution use only)

ARBITRATION PANEL

Alan R. Sloate, Esq. -
Terrence H. Fraser, Esq. -
John B. Morgan, Esq. -

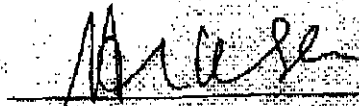
Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures

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Alan R. Sloate, Esq.
Public Arbitrator, Presiding Chair

Signature Date



02-03-2003

Terrence H. Fraser, Esq.
Public Arbitrator

Signature Date

John B. Morgan, Esq.
Non-Public Arbitrator

Signature Date

February 7, 2003

ARBITRATION PANEL

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Terrence H. Fraser, Esq.	-	Public Arbitrator
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Alan R. Sloate, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Terrence H. Fraser, Esq.
Public Arbitrator

Signature Date


John B. Morgan, Esq.
Non-Public Arbitrator

Signature Date

JAN 31 2003

February 7, 2003

Date of Service (For NASD Dispute Resolution use only)